The State Journal.

FRIDAY, JANUARY 29, 1874.

We learn that arrangements are on foot for the establishment of a new and reliable Democratic paper in the city. What is the matter now?

The Legislature is proceeding to do a very sensible thing in reducing the number of terms of the Supreme Court. Instead of being kept constantly in motion from one part of the State to another to hold court, they will have a little time to devote themselves to its business.

The Democracy of the State have been claiming the credit of the Penitentiary leasing act, and the consequent saving to the State of the enormous expense of sustaining that institution. Wednesday Senator McGinnis, in the Senate, corrected this assertion, and referred to conclusive proof that had it not been for the part of ex-Senator Allen and himself, in the matter, the leasing measure would have never passed.

Indian customs tolerate and sanction the abandonment of one wife for matrimonial alliance with another. It was upon this ground that the marriage of William Gilliss to Kahkotequa, the Indian Chieftainess, the circumstances of which are elsewhere reported, was held by our Supreme Court to be valid, and consequently, in the suit of the grandchildren of Mr. Gilliss by this marriage, for an inheritance in his estate, that they were his lawful and rightful heirs.

The following is the rate of taxation in a number of adjoining counties, from which it will be seen that Carroll is the best off: Howard pays $23,000 State taxes and $111,000 county taxes; Chariton pays 20,000 State and $81,875 county taxes; Cooper pays $27,500 State and $100,000 county taxes; Carroll pays $24,000 State and $57,000 county taxes; Callaway pays $30,000 State and $126,000 county taxes; Lafayette pays $35,000 State and $167,000 county taxes.

Returns from the election Tuesday for delegates to the Constitutional Convention to be held at Jefferson City in May, indicate the election of the following gentlemen: Albert Todd, Thomas T. Gantt and Louis Gottschaik, Independents; Joseph Pulitzer, J. O. Broadhead, Henry Spaunhorst, N. Mortell, H. C. Brockmeyer and J. C. Edwards, Democrats; Henry Hitchcock, Henry T. Mudd and George H. Shields, Republicans. Some of these gentlemen are among the most prominent and influential citizens of St. Louis.

The Tribune sees no over-ruling necessity for a branch prison just now. The number of convicts at the present time in the penitentiary here is about 1,100. This is about as many as any prison ought to contain, it would seem to us, and while there may be no immediate necessity for an additional prison, if provision is made for the future, another must be provided at some time soon, and at no time could the labor of convicts and the services of "square men" be secured to better advantage.

The woman suffragists of St. Louis have instituted a movement to send delegates to demand and secure seats in Constitutional Convention. Their delegates are elected in mass meeting. They claim they have a right to a voice in the formation of the fundamental law of the State, and with no little show of reason. The prime objection to their claim, we apprehend will be, however, on the ground of the informality of their proceeding and the irregularity of their election. But if a large and respectable mass meeting of our citizens get together and demand a voice in the formation of the fundamental rules of State policy by which they are to be governed, we do not see any reason why their demand should not receive the same weight that a small moiety of the voters of a district should receive, though their proceedings may have the stamp of exact regularity and conformity to law. The fact is the proceedings or the women suffragists are in the only form and manner they can proceed, and technicalities of law should not be permitted to defeat the ends of equity.

We find in the report of the State Treasurer, just printed, that there really was, as charged by the St. Louis Democrat at the time, an attempt made in November last, by the State Board of Education, to clandestinely effect a sale of the bonds of the United States, belonging to the School Fund, and buy with the proceeds thereof the bonds of the State. It will be remembered that the JOURNAL vindicated the officers of the State against this charge. It did so upon the representation by the State Treasurer to the editor of this paper *that there was no ground for any such charge*. We had no idea of its truth, and now feel that we have been compromised in the matter. But we beg to assure our friends that we were not an intentional party to the proceeding, and however much appearances may indicate that we tried to cover it up, we emphatically protest our innocence of any such act.

According to the decree entered in the Supreme Court of the State Monday, those of our German fellow-citizens, who have been accustomed to worship at the "Church on the Hill," and who have been burying their dead in the grave-yard beyond for the past twenty years, are prohibited from burying their dead in that place any longer. Those who are privileged alone to bury their dead there, are those who form the society that was recently formed and that worships in the church below Mr. Zwinger's, on Monroe street.

The grave-yard in question was set apart for burial purposes in 1852 by Adam Routzong, who intended it for the use of those who frequently met at his house for worship, and who included all or nearly all the protestant Germans in the city. His deed of conveyance designated them as "Lutherans," and as such they were known. Immediately following this donation, the parties who were recognized as those entitled to its benefits, associated themselves together and built the church and parsonage standing on the corner of Washington and Ashley streets. They continued harmoniously worshiping there together and burying their dead in this same burial ground until about four years ago when a part of the association drew off and formed the church now claiming the exclusive ownership and right to the burying-ground, they have heretofore used in common. To the impartial spectator it seems strange their claim is sustained, but so it is. We learn however a motion for a rehearing will be filed by General Johnson and the case be brought to the notice of the Judges again. What ever may be the strict construction of the law, it does seem that equity would not exclude any of the old society who received the donation from the further use of the ground where the consecrated bones of their dead are buried.

On the 22nd or last December the St. Louis Democrat contained the following:

Missouri bonds have been quoted at ninety-nine within a short time. Those who are curious to know why will probably be pleased to know that certain parties have been selling United States bonds and purchasing Missouri bonds on account of the school fund. On Thankgiving day as we are told, the order was made directing Mr. Salmon, the State Treasurer, and Mr. Price, cashier of the bank at Columbia Mo., to sell the United States bonds now held in trust for the school fund, and to purchase bonds of the State. The quotations of Missouri bonds within the past two weeks plainly indicate that the order has been obeyed. The sale has been going on, and the purchase as well, and it is not improper to observe that the transaction is a very neat thing for somebody. Whether any law warrants it is another question.

Upon its appearance we repaired to the Office of the State Treasurer, showed him the extract, and asked of him its meaning. From the reply we received, we felt convinced that the Democrat had been misled. The exact words of the Treasurer we do not remember, but they were, in substance, as we understood them, that there was no foundation in fact for the Democrat's statement.

But we are satisfied now that Mr. Salmon intended to be understood as meaning that there was no foundation for the statement regarding the *sale* of the United States bonds, and that he undertook to give no information pro nor con in relation to the order for their sale. This much in Justice to Mr. Salmon.

After our interview with the Treasurer, resulting as above stated, we penned the following which appeared in our daily of the 23rd of December:

Evidently some one has blundered. Some sensitive "financier" has seen in the high rate at which Missouri bonds are quoted, something he could not comprehend and conjured up his foregoing fictitious story as its explanation and palmed it off on the unsuspecting editor of the Democrat as genuine. The bonds of the United States held for the benefit of the School and Seminary Funds are still in the possession of their lawful custodians and the sacreligious hand of the speculator has not touched them.

The whole story is this: Missouri bonds are nearly at par. In ten days the January interest on them will be paid. The money to pay it with is now in New York to the hands of the financial agent of the State. And to-day when a Missouri bond is sold the sale carries with it the thirty dollar coupon which is then mature and payable. This of itself adds three per cent. to the market value of the bond. Had the Democrat's "authority" reflected a moment he would have seen that this and not any unauthorized or unlawful act of the State Treasurer and State Auditor, the custodians of the School and Seminary Funds was the explanation of the nearly par value of our Missouri bonds.

Subsequent to this the Democrat reiterated the charge and we repeated our denial.

Now it turns out that the Democrat was correct, that really such an order was made, and it is insinuated that we were aware of it at the time and lent ourselves to the use of the Treasurer and the officers of the administration to cover up this transaction for the purpose of assisting those concerned in it to carry out their speculative designs. That the insinuation is unjust the State Auditor and State Treasurer stand ready to affirm. We trust this will be sufficient to set us right with our friends in the premises.

HOW TO PAY COUNTY BONDS ECONOMICALLY, SPEEDILY AND WITHOUT OPPRESSIVE TAXATION.

Metropolitan papers have been discussing the proposition of Mr. Bartholow for a new method of meeting the indebtedness of municipal corporations, and that our readers may fully understand it, we present it in full. It is as follows:

To pay the bonded indebtedness of our municipal corporations without loss of honor, and, at the same time, in such a manner as to reduce the burthen of taxation, is a problem of deep concern to the people of this State. After much reflection I have conceived the plan of a bond, to be styled "Endowment Bond," that is, a bond, the principle of which is paid in paying the coupons attached, so that when the last coupon is paid the bond is discharged; the coupons to represent the interest on the principal debt each six months and a moiety of the debt itself. Under this plan as each coupon is paid a part of the principal debt itself is extinguished, and in like ratio the semi-annual interest accruing is reduced in amount. By extending the debt a reasonable length of time the principal debt and the interest as it accrues can be discharged with comparative ease to the debtor, and at such an immense saving in actual money paid over any system now in operation, that it seems to me the plan proposed is worthy of grave consideration. To illustrate: take a 6 per cent. bond for $1,000 dollars, running for forty years. Each six months pay 1½ per cent. of the principal and accrued interest.

1st Coupon will represent interest.	$30 00	Total.	$42 50
	$12 50 principal.		
2d Coupon will represent interest.	$29 62	Total,	42 12
	$12 50 principal.		
3d Coupon will represent interest.	$29 25	Total,	41 75
	$12 50 principal.		
4th Coupon will represent interest.	$28 87	Total.	41 38
	$12 50 principal.		

The principal debt, after the payment of the fourth coupon, is reduced to $950 At the expiration of twenty years the principal debt will be $500. There will have been paid

Principal,	$500.00
Interest,	921.05
Total,	$1.421.05

Under the present system the same bond in twenty years will have cost $1,200 interest, leaving the principal debt of $1,000 still due.

Under the proposed plan, in forty years the bond will be discharged, costing in interest $1,214 50; principal, $1,000; total, $2 214.50.

Under present plan, same bond being paid at end of forty years, will cost: interest, $2,400; principal, $1,000: total, $3,400; difference in favor of Endowment Bond, $1,185.50. These figures ought to settle the question of abandonment of the present plan. A great disideratum accomplished by this plan is, that each bondholder is the custodian of the amount of principal paid each year, and the counties are saved all the complications that arise where a sinking fund has to be provided, and managed, until the principal debt falls due.

Paying each six months 1½ per cent. principal of a 6 per cent. bond, the rate per cent. paid the first year is less than 8½ per cent. on the principal debt, and each year the rate reduces.

The 5th year the rate will be	7 9-10	per cent.
" 10th " " " " "	7 7-100	" "
" 15th " " " " "	6 3-10	" "
" 20th " " " " "	5 1-2	" "
" 25th " " " " "	4 5-10	" "
" 30th " " " " "	2 7-100	" "
" 35th " " " " "	1 6-10	" "

Practically, after twenty years, the debt is so rapidly disposed of that we may safely say that the counties will have *tided* over the burthen of their troubles. This security, I am satisfied, would be accepted by the present holders of county bonds. To put this plan into operation legislation is required. The General Assembly of the State must, by proper legislation, provide for the creation of the Endowment Bond; provide for this substitution for the outstanding bonds, make the coupons payable by the State Treasurer at the State Financial Agency in New York; have the annual assessment made by the State Auditor, and certified to the several counties to be levied and collected in the same manner as the levy for State purposes, and to be paid direct into the State Treasury. The bonds should be registered in the Auditor's office.

I append two tables showing the practical working of the proposed plan. The first is computed on a forty-year $1.000 6 per cent. bond, paying 1 1-4 per cent. of principal each six months. The second upon a thirty-year $1,000 6 per cent. bond, paying interest alone for first five years; 2 per cent. of principal each year for second five years; 3 per cent. of principal third five years; 4 per cent. of principal for fourth five years; 5 per cent. of principal fifth five years; and 6 per cent. of principal last five years.

By the plan of first table a forty-year 8 per cent bond is paid with - -	$2,214 50
Under present system to pay same bond it will require - - - -	3,400 00
Difference	$1.185 50
By plan of second table a thirty-year 6 per cent. bond is paid with	$2,154 80
Under present system to pay same bond will require - - - -	2,800 00
Difference	$645 20

To further illustrate the principle involved in this plan, I take two notable Government debts—that of Great Britain and the United States.

The English debt, by an absorption of the principal debt, at the rate of 1-2 per cent., from the Treaty of Peace of 1815 to present time, would be reduced to-day 30 per cent. in amount.

The debt of the United States with a bond on this plan running for one hundred years, bearing 5 per cent. interest, and paying annually 1 per cent. of its principal debt, will wipe out the entire debt; and the amount of interest paid, including the above moiety of principal, would average less than 5 4-100 per cent. per annum, the rate of interest now paid.

Respectfully submitted,

TH. J. BARTHOLOW.

St. Louis, Jan. 13, 1875.

[The tables alluded to, which are not necessary to a full understanding of the plan of Mr. Bartholow, are omitted.)

THE PENITENTIARY.

We clip from the Correspondence of the Kansas City Times, a statement of facts upon which the lessees claim the privilege to extend their facilities for making prison labor profitable, as follows:

"The lessees took charge of the penitentiary on the 29th day of May, 1873, and have kept the State, they claim, clear of any expense from that time to the present—say 19 months and 24 days. During this time they have, as they say the records will show, cared for an average number of 912 prisoners. Averaging the daily cost per head at fifty cents for the whole time—594 days—the total cost of keeping them would aggregate $173,857.

The point made by the lessees is that there are now nearly eleven hundred convicts in the penitentiary and that owing to the limited facilities for utilizing their labor—the prison affording labor for about six hundred—that the idle convicts eat up and otherwise wipe out the profits on the labor of those employed. They claim that as a matter of justice to itself as well as to them that additional facilities for utilizing the labor of the remaining five hundred convicts should at once be provided. This will comply with their lease to the letter they contend, and in the end prove an economical course on the part of the State. They will be satisfied, they say, with any reasonable arrangement by which the drones in the State convict hive may be set to work to earn their living, and thereby enable them (the lessees) to widen their sphere and plans of operations."

The House has passed a joint resolution, that when the General Assembly adjourn at this session it adjourn *sine die*.

Educational.

Hereafter the school year in Virginia will end July 31, instead of August 31.

A school for deaf mutes has been opened in Chicago. It has been placed in charge of Mr P. A. Emory.

The Board of Trustees of the Toledo University of Arts and Trades have resolved to open a School of Design.

The ladies can not complain of want of appreciation in Chicago, ninety-three per cent. of the teachers employed there being females.

Dr. E. W. Hilgard, Professor of Geology, Zoology and Botany in Michigan University, has decided to accept the chair of Agriculture in the California University.

At the reunion of the Alumni of Cleveland High School the oration was delivered by John P. Green, Esq., a colored graduate, he having been selected for that duty.

Two lady students of Girton College, England, Miss Kingsland and Miss Dove, both daughters of clergymen, have taken degrees at the Cambridge Natural Science Tripos.

The aggregate salaries of the school teachers of Memphis in 1873 was $68,122.60, and in 1874, $61,976.50, although the average daily attendance was much larger in 1874 than in the previous year.

The irrepressible question in regard to the use of the Bible in the public schools is being agitated in Toledo, Ohio, After a long discussion action on the question was indefinitely postponed.

The names of Israel Washburn, Jr., LL. D., and Rev. E. C. Bolles, D. D., are mentioned in connection with the presidency of Tufts College. Dr. Miner's resignation takes effect the middle of February.

The Vermon Legislature, at its special session, appropriated $30,000 for a reform school for boys, to be located at Vergennes. It was also resolved to establish a reform school for girls, and $5,000 was appropriated therefor.

The munificient gift of Mr. W. W. Corcoran to the Columbia University at Washington, consisting of property valued at $150,000, has been secured by the subscription of an additional $100,000 necessary to fulfill the terms of the grant.

The compulsory law in New Hampshire is working better than its most sanguine friends anticipated. The State Superintendents have been earnest to secure its efficient enforcement, with the following encouraging result:

	1872.	1873.	1874.
Children between four and fourteen not attending school	4,602	3,680	2,593
Decrease		922	1,087
Per centage of non-attendants to number registered	.033	.032	.037

The legislature of Vermont at its late session abolished the State Board of Education, and elected in the place thereof Mr. Edward Conant Superintendent of Public Education. Mr. Conant will perform, substantially, the duties of the late board, and also of the late State Superintendent, Mr. John H. French.

INDORSERS.

Decision of the Kentucky Court of Appeals in an Important Case---Indorsers Must be Careful.

Atwood, the Louisville swindler, obtained indorsements of drafts which he subsequently "raised." He then sold them to a bank. The Kentucky court of appeals held the indorsers liable for the full amount. The following is a brief history of the case:

R. H. Woolfolk vs. Bank of America—Appeal from the Jefferson court of common pleas, Kentucky court of appeals, 1875, January 5.

The court, being sufficiently advised, delivered the following opinion herein:

On the 7th of August, in the year 1872, Robert Atwood, a resident of the city of Louisville, applied to R. H. Woolfolk and S. S Nicholas to aid him in raising money to defray, as he represented at the time, some necessary family expenses. These parties, for the purpose of accommodating Attwood, and without any other consideration, in conjunction with him, made what they supposed to be at the time a bill of exchange for $500, drawn by S. S. Nicholas, accepted by Atwood, payable to R. H. Woolfolk, and indorsed in blank by the latter. The body of the bill was not filled for any amount, but in the margin, as is usual with such paper, were the figures denoting the amount to be inserted.

When Nicholas signed the paper, the whole of it was blank, except the printed portion of the bill and the marginal figures, $500. And at the time Woolfolk affixed his signature, the body of the bill was blank as to the amount and place of payment, the words, "Bank of America, New York," having been inserted after he had signed it. The paper, when Nicholas signed it as a drawer, read as follows:

$500 LOUISVILLE, August 7, 1872.

——————Pay to order——————

——dollars,——value received.

S. S. NICHOLAS.

When Woolfolk indorsed the paper, it was as follows:

$500 LOUISVILLE, August 7, 1872,

Ninety days after date pay to the order of R. H. Woolfolk ———— dollars, value received, payable at office.

S. S. NICHOLAS.

ROBERT ATWOOD, Louisville, Ky.

In this condition the paper was taken possession of by Atwood, and so altered by him, in the addition of another cypher to the marginal figures as to make them $5,000 instead of $500, and inserted in the body of the note, in his own handwriting, the words "five thousand dollars," so as to make the amount correspond with the marginal figures, as altered; the place of payment was also designated by inserting the words "Bank of America, New York." All of the paper, except the printed matter and the signature of the drawer and indorser, is in the handwriting of Atwood. The bill altered and filled up by Atwood is as follows:

$5,000. LOUISVILLE, Aug. 7, 1872.

Ninety days after date pay to the order of R. H. Woolfolk five thousand dollars, value received, payable at office Bank of America, New York.

ROBT. ATWOOD. S. S. NICHOLAS.

And indorsed in blank by R. H. Woolfolk.

The bill, on the day it bears date, and as fraudulently altered and filled up, was presented by Atwood to the Bank of America in Louisville, discounted by that bank and the proceeds paid over to him. The evidence shows that none of the bank officers had any knowledge of the fraud of Atwood, or were apprised in any way that he had altered or changed the figures in the margin. It is also conceded, and clearly appears from the facts, that neither the drawer (Nicholas), nor the indorser (Woolfolk), had given any authority to Atwood to so alter the paper, nor did they have any knowlekge of their liability by reason of its execution, until its protest for nonpayment in New York. The Bank of America, being the *bona fide* holder and owner of the bill, instituted this action in the Jefferson Court of Common Pleas against Atwood, Nicholas and Woolfolk to recover the amount due them, with interest, etc. The defence by Nicholas and Woolfolk is, in effect, a special plea of *non est factum*. It is alleged in their answer that "after the drawing and delivery of said bill of exchange for $500, the same was, without their knowledge and consent falsely and fraudulently altered and changed in the following manner, viz.; The amount thereof was falsely and fraudulently, and without their knowledge, consent ur authority, increase from $500 to $5,000, and the additional defense by Woolfolk that the words payable at office Bank of America, New York,' after the words 'value received,' were falsely, fraudulently and without his knowledge, consent or authority added to and inserted in said bill of exchange, and the plaintiff had notice and knowledgeot said alteration at the time it took place, and became the holder and owner of said bill of exchange."

After the evidence was closed, Woolfolk, against the objections by counsel for the bank, was permitted to file an amended answer, in explanation of his former answer, in which it was stated "that he meant only to say in the first answer that the words, 'New York' were fraudulently inserted in the bill, and not the words 'payable at the Bank of America, New York;' his meaning being that by inserting the words, 'New York' it made the paper falsely read 'payable at the Bank of America, New York.'"

Upon the hearing below, a judgment was rendered against all the parties to the bill, from which Woolfolk prosecutes this appeal.

The decision of the lower court was against Nicholas and Woolfolk for the full amount, and this decision was affirmed by the Court of Appeals, on the ground of carlessness on the part of the indorser.